

Representative Gard will chair for the following bill.

AB 408 – Voluntary Boat Registration

Recommendation

Support bill in its current form (i.e. with standing committee amendment.)

Bill History

Introduced on 06/10/97 by Baumgart/Schultz; passage recommended by Committee on Tourism and Recreation (5-4) with one amendment (AA 1, adopted 9-0) on 11/11/97; referred to JFC on 11/11/97.

Executive Action Needed

Act on any amendments introduced today.
Adopt Assembly Amendment 1.
Recommend passage as amended.

Note

The bill would change the fee structure for voluntary canoe and kayak registration. Barry says it's fine with or without the Assembly amendment. In general, the best part of the bill is the increase to the registration fee. There seem to be several superfluous provisions included which could be eliminated if someone really wanted to make changes.



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 11, 1998

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 408: Voluntary Boat Registration

On November 11, 1997, the Assembly Committee on Tourism and Recreation recommended passage of Assembly Bill 408 (as amended by Assembly Amendment 1) on a vote of 5 to 4. AB 408 would increase the fee for certain types of voluntarily registered boats and direct the revenue to youth conservation and fish and game education programs.

BACKGROUND

The Department of Natural Resources (DNR) collects statutory registration fees for all motorized boats and sailboats over twelve feet in length operated on state waters. Motorized boat registration fees vary according to boat length. In addition, persons who are not required to register their boats are given the option of voluntarily registering them for a fee of \$6.50 each. These fees, which are deposited in the boat registration account of the conservation fund, were last increased in 1995 Act 27 (the 1995-97 biennial budget). All boat registrations are valid for a period of up to two years, beginning on April 1 of the year in which the registration is issued and ending on March 31 of the second year after issuance. The current fees are shown in the table which follows.

Boat Registration Fees
(Two-year registration)

Nonfleet Boats

Voluntary Registration	\$6.50
Nonpowered Sailboat	10.00
Motorboats, under 16 feet	11.00
Motorboats, 16 to 26 feet	16.00
Motorboats, 26 to 40 feet	30.00
Motorboats, over 40 feet	50.00

Fleet Boats

Fleet Fee*	\$18.00
Nonpowered Sailboat	5.00
Motorboats, under 16 feet	5.50
Motorboats, 16 to 26 feet	8.00
Motorboats, 26 to 40 feet	15.00
Motorboats, over 40 feet	25.00

* The fleet fee is applied to people who own and register three or more boats, and is paid in addition to the per boat fee shown.

Other sources of revenue to the boat registration account include: (a) fees paid by people enrolled in boat safety programs; (b) boat titling and lien fees; (c) 1% of the sales tax revenue the Department collects from people who have purchased boats and have not provided proof that a sales tax was paid (which is required before the boat can be registered); and (d) investment income.

Boat registration account revenues are used to fund: (a) state costs of boating law enforcement by DNR conservation wardens and of administration of boating safety programs; (b) aids to municipalities for up to 75% of the costs of local boating law enforcement, search and rescue, and safety programs; (c) a portion of the costs of the Department's licensing and registration activities; (d) a portion of the Department's administrative activities; and (e) a portion of DNR's administrative facility debt service and repair costs.

Currently, the Department operates a number of conservation education and fish and game educational programs. These include the hunter safety education program, the waterfowl hunter education program, the turkey hunter education program, the Adopt-A-Lake Program, Project WET (water education), Project WILD (wildlife education), Project Learning Tree and the MacKenzie Environmental Education Center in Poynette.

SUMMARY OF BILL

Assembly Bill 408 would change the fee structure for voluntarily registering a canoe or kayak from \$6.50 for two years (\$3.25 on an annualized basis) to \$12 for three years (\$4 annually). Under the bill, the registration for a canoe or kayak would be valid beginning on April 1 of the year in which the registration is issued and ending March 31 on the third year after issuance. The registration stickers or decals for voluntarily-registered canoes and kayaks would be distinct in form and design from registration stickers or decals issued for other boats.

AB 408 would require DNR to operate an outdoor educational program to educate youth on conservation topics and an educational program to educate youth in hunting and fishing. The Department would be able to charge participants in each of these programs a fee to cover the program costs, but the fees could not exceed the costs of conducting the programs.

Two new appropriations would be established under the bill: one for the youth conservation education program and one for the youth fish and game education program. Fifty percent of the revenue collected by DNR from the voluntary canoe and kayak registration fees would be deposited into each of the appropriations. The fees collected for each of the programs would also be deposited into their respective appropriations.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 was adopted by a vote of 9 to 0. AA 1 would extend the registration provisions for canoes and kayaks to also include rafts and sailboats under 12 feet in length. The amendment would also allow a person registering their boat under these provisions to pay more than \$12 if the person wishes to do so.

FISCAL EFFECT

In its fiscal note, the Department uses estimated registration figures of 2,391 voluntarily registered craft. In the 1995-97 biennium, however, \$13,200 in revenue (an average of \$6,600 annually) was raised from voluntary boat registration fees, indicating that 2,031 people in the state voluntarily registered their boat during the time period. Using that figure, increasing the fee to \$12 and extending the effective period to three years would result in average annual revenues of \$8,100, an increase of \$1,500 annually. (The DNR fiscal estimate indicated an increase of \$1,800 annually.)

The Department indicates that most of the people registering a boat voluntarily in Wisconsin do so to satisfy the requirement that boats using the Boundary Waters Canoe Area in Minnesota and Ontario (primarily canoes and kayaks) be registered. Thus, absent some other change, extending the class of boats affected by the increased voluntary fee to include rafts and sailboats under 12 feet (as under AA 1) would likely not appreciably affect revenues. It is

possible, however, that registrations could decrease somewhat because of the 23 percent fee increase. Further, depending on how willing voluntary registrants would be to support the specified youth education programs as opposed to boating enforcement and safety, registrations could either increase or decrease.

If the money from the voluntary registration fees is deposited in the new youth education appropriations, it would no longer be available to support the boating enforcement and safety activities funded from the boat registration account. Under the "forever free" clause of the Wisconsin Constitution, mandatory boat registration fees can only be used for enforcement, safety education and related administrative purposes. The boat registration account was established administratively within DNR to ensure that registration fees were used for the allowable purposes. Department budget staff indicate that under the bill the voluntary fees would likely no longer be deposited in the boat registration account, and that another accounting mechanism would be devised to track the funds.

Assuming the revenue from voluntary boat registrations does not change under AB 408, approximately \$4,000 would be available annually for each of the youth education programs under the bill. In the fiscal note to AB 408, DNR assumes that it would have to establish two new programs under the bill. It could be argued, however, that the funds could also be used to offset the costs of existing youth education programs that meet the criteria of the bill.

Given the cost of existing departmental education efforts, it appears likely that the majority of revenue for any new youth programs created as a result of the bill would have to come from user fees. For example, the DNR portion of the trapper education program is approximately \$29,000, and the estimated cost of operating the MacKenzie Environmental Education Center is \$400,000. The proposed revenue from the voluntary boat registration fees would cover 14 percent of the Department's cost of the trapper education program, and one percent of the cost of the MacKenzie Center. The fees for the programs are not set in AB 408, and there is no requirement that DNR promulgate these fees in administrative rule.

MO# AA1

BURKE	(Y)	N	A
DECKER	Y	(N)	A
JAUCH	(Y)	N	A
SHIBILSKI	Y	(N)	A
COWLES	(Y)	N	A
PANZER	Y	N	(A)
SCHULTZ	(Y)	N	A
ROSENZWEIG	Y	(N)	A
GARD	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
ALBERS	(Y)	N	A
PORTER	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 12 NO 3 ABS 1

MO# passage as amended

BURKE	(Y)	N	A
DECKER	Y	(N)	A
JAUCH	(Y)	N	A
SHIBILSKI	Y	(N)	A
COWLES	(Y)	N	A
PANZER	Y	N	(A)
SCHULTZ	(Y)	N	A
ROSENZWEIG	Y	(N)	A
GARD	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	Y	(N)	A
ALBERS	(Y)	N	A
PORTER	(Y)	N	A
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 11 NO 4 ABS 1

ASSEMBLY BILL 408

Voluntary Boat Registration
Youth Education Fees

Motion:

Move to require DNR to specify in administrative rule the fees for the youth conservation education program and the youth fish and game education program.

Note:

AB 408 requires DNR to operate an outdoor education program to educate youth on conservation topics and an educational program to educate youth in hunting and fishing. DNR would be able to charge participants in each of these programs a fee to cover program costs, but the fees could not exceed the costs of conducting the programs.

MO#

LFB #302

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
SCHULTZ	Y	N	A
ROSENZWEIG	Y	N	A
GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 13 NO 2 ABS 1